

EXHIBIT D

TO

DECLARATION OF PAUL HARRISON  
STACEY

WORD MUSIC, LLC *et al.*, vs.  
PRIDDIS MUSIC, INC., *et al.*  
Case No. 3:07-cv-502

**COPY**

**ORIGINAL  
FILED**

**MAY 14 2007**

**RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

**E-filing**

FREAR STEPHEN SCHMID, CSB NO. 96089  
ATTORNEY AT LAW  
177 POST STREET, SUITE 890  
SAN FRANCISCO, CA 94108  
TELEPHONE: (415) 788-5957  
FACSIMILE: (415) 788-5958

Attorneys for Plaintiff  
MEDIOSTREAM, INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

MEDIOSTREAM, INC.,

No. C-07-2127 PJH

Plaintiff,

FIRST AMENDED COMPLAINT  
FOR DECLARATORY RELIEF  
AND INDEMNIFICATION  
[Jury Trial Demanded]

v.

PRIDDIS MUSIC, INC.,  
WARNER/CHAPPELL MUSIC, INC.,  
a Delaware Corporation, WORD  
MUSIC, LLC., a Tennessee Limited  
Liability Company, DAYSPRING  
MUSIC, LLC, a Tennessee Limited  
Liability Company, WORDSPRING  
MUSIC, LLC., a Tennessee Limited  
Liability Company, UNICHAPPELL  
MUSIC, INC., a Delaware Corporation,  
CHAPPELL & CO., INC., a Delaware  
Corporation, COTILLION MUSIC, INC.,  
a Delaware Corporation, RIGHTSONG  
MUSIC, INC., a Delaware Corporation,  
WALDEN MUSIC, INC., a New York  
Corporation, WARNER/TAMERLANE  
PUBLISHING CORP., a California  
Corporation, and WB MUSIC CORP.,  
a California corporation,

Defendants.

Plaintiff MEDIOSTREAM, INC. hereby alleges as follows:

JURISDICTION AND VENUE

1  
2 1. Plaintiff is and at all times has been a California corporation with its  
3 principal place of business within the Northern District of California.

4 2. Defendant PRIDDIS MUSIC, INC. ("Priddis") is a corporation, which has  
5 had substantial and reoccurring business contacts within the Northern District of  
6 California, including entering into a contract with plaintiff which serves as a basis for  
7 this action for declaratory relief and for indemnification.

8 3. Defendants WARNER/CHAPPELL MUSIC, INC., a Delaware  
9 Corporation, WORD MUSIC, LLC., a Tennessee Limited Liability Company,  
10 DAYSPRING MUSIC, LLC, a Tennessee Limited Liability Company, WORDSPRING  
11 MUSIC, LLC., a Tennessee Limited Liability Company, UNICHAPPELL MUSIC, INC.,  
12 a Delaware Corporation, CHAPPELL & CO., INC., a Delaware Corporation,  
13 COTILLION MUSIC, INC., a Delaware Corporation, RIGHTSONG MUSIC, INC., a  
14 Delaware Corporation, WALDEN MUSIC, INC., a New York Corporation,  
15 WARNER/TAMERLANE PUBLISHING CORP., a California Corporation, and WB  
16 MUSIC CORP., a California Corporation (hereinafter collectively referred to as  
17 "Warner defendants") have conducted and transacted significant amounts of business  
18 on a routine and reoccurring basis within the State of California and within this judicial  
19 district such that jurisdiction over them is proper due to their substantial contacts with  
20 the subject forum. Upon information and belief, each of the Warner defendants is the  
21 alter ego, wholly owned subsidiary, parent corporation of, agent of, partner of, a  
22 captive entity, acts in concert with each other and/or otherwise for purposes herein  
23 legally responsible for the acts and omissions of the other, such that for purposes  
24 hereof they should be treated as one entity.

25 4. In the original complaint filed herein on April 17, 2007, plaintiff originally  
26 named only Warner/Chappell Music, Inc. as a defendant hereto (other than Priddis)  
27 based upon the representations of counsel, Paul Harrison Stacey, Esq., counsel for  
28 Warner/Chappell that Warner/Chappel was the owner of the copyrights alleged

1 infringed by plaintiff. After filing this action and providing a copy of it to Attorney  
2 Stacey, who advised he was authorized by Warner/Chappell to accept service of the  
3 complaint, Attorney Stacey on May 8, 2007 filed a lawsuit in the United States District  
4 Court, Middle District of Tennessee, Nashville, Tennessee, action no. 07-CV-00502,  
5 and set forth other alleged owners of the copyright. Due to the representation of  
6 Warner/Chappell of its alleged ownership of the alleged copyrights, plaintiff had only  
7 named Warner/Chappell as a party to the original complaint, but now adds the  
8 additional Warner defendants premised upon the allegations made in the Tennessee  
9 action.

10 5. This action arises under the Copyright Act of 1976, 17 U.S.C. §§101, et  
11 seq.. This court has jurisdiction of this action under 28 U.S.C. §§1331, 1338(a), and  
12 1338(b), and under supplemental jurisdiction. Venue is proper in this district under 28  
13 U.S.C. §§1391 and 1400 in that a substantial part of the events and/or property giving  
14 rise to the claims herein occurred and/or is situated in this judicial district and  
15 defendants and each of them have regularly transacted business within this district  
16 such that they are subject to personal jurisdiction here and are thus deemed to reside  
17 in this district and defendants may be found in district.

18 FIRST CLAIM  
19 [Declaratory Relief]

20 6. On October 10, 2005, plaintiff Mediostream, Inc. and Priddis Music, Inc.  
21 entered into an agreement whereby Priddis granted plaintiff the non-exclusive right to  
22 encode, host, integrate, and make available to customers of Mediostream (on demand  
23 or as part of a play list) master karaoke tracks, all for purposes of Mediostream's  
24 online karaoke business.

25 7. Thereafter, pursuant to said agreement, Mediostream in good faith  
26 began conducting its karaoke business online at the website ksuperstar.com. On or  
27 about February 13, 2007, plaintiff was contacted by Paul Harrison Stacey, attorney for  
28 the Warner defendants asserting that plaintiff was infringing upon his client's

1 copyrights, and requested plaintiff cease and desist, which plaintiff promptly did  
2 pending resolution of this controversy. Thereafter, Mr. Stacey on behalf of the Warner  
3 defendants has repeatedly advised plaintiff that any rights that plaintiff believe to have  
4 received from Priddis under its contract with Priddis were valueless vis-a-vis the  
5 Warner defendants, and Priddis had no rights from his clients to transfer to plaintiff.  
6 Further, the Warner defendants, through its attorney, Paul Stacey, have repeatedly  
7 asserted the Warner defendants have sustained damages as a result of alleged  
8 infringement by plaintiff of the Warner defendants' copyrights and have repeatedly  
9 threatened to bring an action against plaintiff for said alleged infringement.

10 8. Plaintiff has communicated with Priddis to seek its position regarding the  
11 accusations made by the Warner defendants that it had no rights with reference to the  
12 Warner defendants' music. Plaintiff has received no satisfactory response from  
13 Priddis.

14 8. There exists an actual case and controversy between the parties as to  
15 their respective rights. Plaintiff seeks a declaration of rights and a determination as to  
16 what copyrights Priddis has and what rights it had to license plaintiff, and/or what  
17 rights of the Warner defendants have allegedly been infringed, and what damages, if  
18 any, have resulted from any alleged infringement. Further, plaintiff seeks a  
19 declaration from this court to the extent that plaintiff has infringed on any rights of the  
20 Warner defendants (which plaintiff denies), that said infringement was innocent and in  
21 ignorance of the Warner defendants' rights and was the direct and proximate result of  
22 either misinformation provided by Priddis as to Priddis' rights.

23 SECOND CLAIM  
24 [Indemnification]

25 10. To the extent the court determines that there has been any wrongful  
26 activity with reference to the alleged copyrighted works of Warner by plaintiff (which  
27 plaintiff denies), plaintiff contends that it would be a direct and proximate result of the  
28 representations and/or misrepresentations by Priddis of the rights being transferred to

1 plaintiff and plaintiff thus should be fully indemnified under contractual indemnity  
2 and/or equitable indemnity for any and all damages and cost of suit, including  
3 reasonable attorneys fees, that plaintiff may incur,

4 WHEREFORE, plaintiff prays judgment against defendants as follows:

5 1. That plaintiff has not infringed upon any of the Warner defendants'  
6 alleged copyrights, and to the extent it is determined that any such infringement has  
7 occurred, such infringement was not wilful, but innocent.

8 2. That Priddis be obligated to fully indemnify plaintiff for any such  
9 damages (if any) awarded to the Warner defendants as against plaintiff as a result of  
10 such alleged infringement, and further, that Priddis fully indemnify plaintiff for all its  
11 attorney fees and costs associated with the subject litigation;

12 3. That plaintiff be awarded its costs of suit; and

13 4. That the court grant such other relief as may be deemed just and proper.

14 DATED: May 14, 2007

15   
16 Frear Stephen Schmid, Attorneys for  
17 Plaintiff MEDIOSTREAM, INC.

18 JURY DEMAND

19 Plaintiff MEDIOSTREAM, INC. hereby demands a jury trial.

20 DATED: May 14, 2007

21   
22 Frear Stephen Schmid, Attorneys for  
23 Plaintiff MEDIOSTREAM, INC.